



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
Olympia, WA 98504-5000

February 17, 2005

LIABILITY INSURANCE REQUIREMENTS

Dear Medicaid Contractor:

The next time your Medicaid contract is renewed or amended, you will want to be aware of a new policy implemented on August 1, 2004 regarding insurance requirements for providers contracting with the department. This new policy requires liability insurance coverage for all contracts. When your contract is renewed or amended, it will contain a clause which states minimum coverage limits and requires that the State of Washington, Department of Social and Health Services (DSHS), and elected and appointed officials, agents, and employees of the state, be named as additional insureds.

Prior to this new policy, the general terms and conditions included with your contract did not have a requirement for liability insurance. Many DSHS contracts did have requirements for liability insurance, with established minimum coverage limits and the requirement to name DSHS as an additional insured. However, this was not a part of the nursing home or boarding home contract prior to August 1, 2004.

We will comply with the DSHS policy that all contractors have liability insurance coverage. We would prefer that your insurance coverage include that the State of Washington, Department of Social and Health Services, and elected and appointed officials, agents, and employees of the state, be named as additional insureds. However, if this requirement increases the cost of your liability insurance, we will grant a waiver to that feature.

At the time of your next contract renewal, if you wish to request a waiver from the requirement to name DSHS as an additional insured, please submit a cover letter with your signed contract requesting the waiver. You will need to include documentation from your insurance provider regarding the additional cost of this feature. You may send this information to:

Christy Hoosier, Contracts Manager
ADSA/Management Services Division
PO Box 45600
Olympia, Washington 98504-5600

Do not cross out the liability insurance clause on the contract. If your waiver request is approved, we will return a fully executed contract to you that identifies the contract requirements which have been waived. If the waiver is not approved, you will need to comply with all liability insurance requirements as stated in the contract.

Sincerely,

Kathy Litch, Assistant Secretary
Aging and Disability Services Administration